



## Senate

General Assembly

**File No. 710**

*January Session, 2013*

Substitute Senate Bill No. 965

*Senate, May 6, 2013*

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CONCERNING CHANGES TO MUNICIPAL REVENUE COLLECTION STATUTES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-109 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 Any official, board or commissioner of a municipality may, with the  
4 approval of the chief administrative officer of such municipality and of  
5 the Public Records Administrator, destroy any document in his or its  
6 custody relating to any matter which has been disposed of and of  
7 which no record is required by law to be kept, after such document has  
8 been held for the period of time specified in a retention schedule  
9 adopted by the Public Records Administrator. The tax collector may,  
10 with like approval, destroy any duplicate record receipt book,  
11 duplicate tax receipts or rate bills, at a time specified by the Public  
12 Records Administrator. [The provisions of section 12-151 requiring the  
13 retention of duplicate tax receipts as permanent records shall not apply

14 in the case of such receipts destroyed as provided in this section.] The  
15 tax collector may, with like approval, destroy any old age assistance or  
16 personal tax records. The town clerk may, with like approval, destroy  
17 any liquor permit, any corporation annual report, any registration list  
18 of motor vehicles, any voting check list, any tax list or abstract, any tax  
19 lien, release of tax lien, attachment or any original document lodged  
20 with him for record, of which the proper owner or owners are not  
21 known to him, and which has remained in his office uncalled for, at a  
22 time specified by the Public Records Administrator. In lieu of  
23 destroying any document, under any provision of this section, any  
24 official, board or commissioner of a municipality may, with like  
25 approval, deposit the same in the custody of any society incorporated  
26 or organized under the laws of this state exclusively for historical or  
27 educational purposes; provided all documents so deposited shall be  
28 maintained and made available by such society for the use of the  
29 public. No original document dated prior to the year 1900 shall be  
30 destroyed under the provisions of this section without the express  
31 written approval of the Public Records Administrator.

32 Sec. 2. Subsection (a) of section 7-328 of the general statutes is  
33 repealed and the following is substituted in lieu thereof (*Effective*  
34 *October 1, 2013*):

35 (a) The territorial limits of the district shall constitute a separate  
36 taxing district, and the assessor or assessors of the town shall separate  
37 the property within the district from the other property in the town  
38 and shall annually furnish the clerk of the district with a copy of the  
39 grand list of all property in the district after it has been completed by  
40 the board of assessment appeals of the town. If the legislative body of  
41 the town elects, pursuant to section 12-62c, to defer all or any part of  
42 the amount of the increase in the assessed value of real property in the  
43 year a revaluation becomes effective and in any succeeding year in  
44 which such deferment is allowed, the grand list furnished to the clerk  
45 of the district for each such year shall reflect assessments based upon  
46 such deferment. When the district meeting has fixed the tax rate, the  
47 clerk shall prepare a rate bill, apportioning to each owner of property

48 his proportionate share of the taxes, which rate bill, when prepared,  
49 shall be delivered to the treasurer; and the district and the treasurer  
50 thereof shall have the same powers as towns and collectors of taxes to  
51 collect and enforce payment of such taxes, and such taxes when laid  
52 shall be a lien upon the property in the same manner as town taxes,  
53 and such liens may be continued by certificates recorded in the land  
54 record office of the town, and foreclosed in the same manner as liens  
55 for town taxes or enforced in accordance with any provision of the  
56 general statutes for the collection of property taxes. The assessor or  
57 board of assessment appeals shall promptly forward to the clerk of the  
58 district any certificate of correction or notice of any other lawful  
59 change to the grand list of the district. The district clerk shall, within  
60 ten days of receipt of any such certificate or notice, forward a copy  
61 thereof to the treasurer, and the assessment of the property for which  
62 such certificate or notice was issued and the rate bill related thereto  
63 shall be corrected accordingly. If the district constructs any drain,  
64 sewer, sidewalk, curb or gutter, such proportion of the cost thereof as  
65 such district determines may be assessed by the board of directors, in  
66 the manner prescribed by such district, upon the property specially  
67 benefited by such drain, sewer, sidewalk, curb or gutter, and the  
68 balance of such costs shall be paid from the general funds of the  
69 district. In the construction of any flood or erosion control system, the  
70 cost to such district may be assessed and shall be payable in  
71 accordance with sections 25-87 to 25-93, inclusive. The cost for the  
72 maintenance of water quality in a lake shall be assessed on the land in  
73 a district and payment shall be apportioned equally among the owners  
74 of parcels of property. Subject to the provisions of the general statutes,  
75 the district may issue bonds and the board of directors may pledge the  
76 credit of the district for any money borrowed for the construction of  
77 any public works or the acquisition of recreational facilities authorized  
78 by sections 7-324 to 7-329, inclusive, and such board shall keep a  
79 record of all notes, bonds and certificates of indebtedness issued,  
80 disposed of or pledged by the district. All moneys received by the  
81 directors on behalf of the district shall be paid to the treasurer. No  
82 contract or obligation which involves an expenditure in the amount of

83 (1) ten thousand dollars or more in districts where the grand list is less  
84 than or equal to twenty million dollars, or (2) twenty thousand dollars  
85 or more in districts where the grand list is greater than twenty million  
86 dollars, in any one year shall be made by the board of directors, unless  
87 the same is specially authorized by a vote of the district, nor shall the  
88 directors borrow money without like authority. The clerk of the district  
89 shall give written notice to the treasurer of the town in which the  
90 district is located of any final decision of the board of directors to  
91 borrow money, not later than thirty days after the date of such  
92 decision. The district may adopt ordinances, with penalties to secure  
93 their enforcement, for the purpose of regulating the carrying out of the  
94 provisions of sections 7-324 to 7-329, inclusive, and defining the duties  
95 and compensation of its officers and the manner in which their duties  
96 shall be carried out.

97 Sec. 3. Subsection (c) of section 12-41 of the general statutes is  
98 repealed and the following is substituted in lieu thereof (*Effective*  
99 *October 1, 2013*):

100 (c) The annual declaration of the tangible personal property owned  
101 by such person on the assessment date, shall include, but is not limited  
102 to, the following property: Machinery used in mills and factories,  
103 cables, wires, poles, underground mains, conduits, pipes and other  
104 fixtures of water, gas, electric and heating companies, leasehold  
105 improvements classified as other than real property and furniture and  
106 fixtures of stores, offices, hotels, restaurants, taverns, halls, factories  
107 and manufacturers. Commercial or financial information in any  
108 declaration filed under this section shall not be open for public  
109 inspection but may be disclosed to municipal officers for tax collection  
110 purposes.

111 Sec. 4. Section 12-81d of the general statutes is repealed and the  
112 following is substituted in lieu thereof (*Effective October 1, 2013*):

113 When any town receives by purchase, conveyance, gift or otherwise  
114 any property that would be exempt from property taxation under  
115 subdivision (4) of section 12-81, the chief executive officer of such town

116 shall notify the tax collector and assessor of such town of the receipt of  
117 such property. Upon such notification and effective upon the date of  
118 the receipt of such property, the [tax collector] assessor shall declare  
119 such property exempt from said taxation and shall not levy any  
120 property tax against the town for such property.

121 Sec. 5. Section 12-117a of the general statutes is repealed and the  
122 following is substituted in lieu thereof (*Effective October 1, 2013*):

123 Any person, including any lessee of real property whose lease has  
124 been recorded as provided in section 47-19 and who is bound under  
125 the terms of his lease to pay real property taxes, claiming to be  
126 aggrieved by the action of the board of tax review or the board of  
127 assessment appeals, as the case may be, in any town or city may,  
128 within two months from the date of the mailing of notice of such  
129 action, make application, in the nature of an appeal therefrom, with  
130 respect to the assessment list for the assessment year commencing  
131 October 1, 1989, October 1, 1990, October 1, 1991, October 1, 1992,  
132 October 1, 1993, October 1, 1994, or October 1, 1995, and with respect  
133 to the assessment list for assessment years thereafter, to the superior  
134 court for the judicial district in which such town or city is situated,  
135 which shall be accompanied by a citation to such town or city to  
136 appear before said court. Such citation shall be signed by the same  
137 authority and such appeal shall be returnable at the same time and  
138 served and returned in the same manner as is required in case of a  
139 summons in a civil action. The authority issuing the citation shall take  
140 from the applicant a bond or recognizance to such town or city, with  
141 surety, to prosecute the application to effect and to comply with and  
142 conform to the orders and decrees of the court in the premises. Any  
143 such application shall be a preferred case, to be heard, unless good  
144 cause appears to the contrary, at the first session, by the court or by a  
145 committee appointed by the court. The pendency of such application  
146 shall not suspend an action by such town or city to collect not more  
147 than seventy-five per cent of the tax so assessed or not more than  
148 ninety per cent of such tax with respect to any real property for which  
149 the assessed value is five hundred thousand dollars or more, and upon

150 which such appeal is taken. If, during the pendency of such appeal, a  
151 new assessment year begins, the applicant may amend his application  
152 as to any matter therein, including an appeal for such new year, which  
153 is affected by the inception of such new year and such applicant need  
154 not appear before the board of tax review or board of assessment  
155 appeals, as the case may be, to make such amendment effective. The  
156 court shall have power to grant such relief as to justice and equity  
157 appertains, upon such terms and in such manner and form as appear  
158 equitable, and, if the application appears to have been made without  
159 probable cause, may tax double or triple costs, as the case appears to  
160 demand; and, upon all such applications, costs may be taxed at the  
161 discretion of the court. If the assessment made by the board of tax  
162 review or board of assessment appeals, as the case may be, is reduced  
163 by said court, the applicant shall be reimbursed by the town or city for  
164 any overpayment of taxes, together with interest and any costs  
165 awarded by the court, or, at the applicant's option, shall be granted a  
166 tax credit for such overpayment, interest and any costs awarded by the  
167 court. Upon motion, said court shall, in event of such overpayment,  
168 enter judgment in favor of such applicant and against such city or  
169 town for the whole amount of such overpayment, less any lien  
170 recording fees incurred under sections 7-34a and 12-176, together with  
171 interest and any costs awarded by the court. The amount to which the  
172 assessment is so reduced shall be the assessed value of such property  
173 on the grand lists for succeeding years until the tax assessor finds that  
174 the value of the applicant's property has increased or decreased.

175 Sec. 6. Section 12-124 of the general statutes is repealed and the  
176 following is substituted in lieu thereof (*Effective October 1, 2013*):

177 The selectmen of towns, the mayor and aldermen of cities, the  
178 warden and burgesses of boroughs and the committees of other  
179 communities (1) may abate the taxes, or the interest on delinquent  
180 taxes, or both, assessed by their respective communities upon such  
181 persons as are poor and unable to pay the same or upon railroad  
182 companies in bankruptcy reorganization, provided either a standing  
183 abatement committee of a community or, if a community has no such

184 committee, the Secretary of the Office of Policy and Management shall  
185 approve such abatement, and (2) shall present to each annual meeting  
186 of their respective communities a list of all persons whose taxes, or the  
187 interest on whose taxes, they have abated in the preceding year.

188 Sec. 7. Subsection (b) of section 12-124a of the general statutes is  
189 repealed and the following is substituted in lieu thereof (*Effective*  
190 *October 1, 2013*):

191 (b) Whenever any municipality has approved abatement of taxes as  
192 provided in subsection (a) of this section, the owner or owners shall  
193 deliver to the tax collector in such municipality, not later than ten days  
194 following the tax due date for such taxes abated, an agreement, on a  
195 form executed and acknowledged in the form and manner required for  
196 the transfer of an interest in real property, to reimburse such  
197 municipality in the amount of the taxes abated, with interest at six per  
198 cent per annum or such rate as approved by the legislative body. Such  
199 agreement shall contain a legal description of the real property with  
200 respect to which such abatement is approved and shall be recorded in  
201 the land records of such municipality. Such agreement shall constitute  
202 a lien on such real property which shall remain valid until paid. Such  
203 lien shall be due and payable in full upon the sale or transfer of such  
204 real property or upon the death of the owner, or if owned by more  
205 than one person at the time such lien is created, upon the death of the  
206 last of such owners surviving. Such lien shall be released by the tax  
207 collector in such municipality when the taxes secured thereby have  
208 been paid. [No lien recorded under the provisions of this subsection  
209 shall take precedence over any mortgage recorded in the land records  
210 prior to such certificate of lien.] Liens recorded under the provisions of  
211 this subsection shall have the same precedence as tax liens under  
212 section 12-172.

213 Sec. 8. Section 12-125a of the general statutes is repealed and the  
214 following is substituted in lieu thereof (*Effective October 1, 2013*):

215 Any municipality may, upon approval by its legislative body, or by  
216 the board of selectmen in any town in which the legislative body is a

217 town meeting, waive property taxes and interest related thereto which  
218 may be due for any tax year with respect to real or personal property  
219 held by any person, firm or corporation for the purpose of creating or  
220 furnishing a supply of water for domestic use, exclusive of any such  
221 property (1) owned by a municipal corporation or (2) used by any such  
222 person, firm or corporation in creating or furnishing such a supply of  
223 water for purposes of profit related to such use, with such profit  
224 inuring to such person or the owners of such firm or corporation,  
225 provided either a standing abatement committee of such municipality  
226 or, if such municipality has no standing abatement committee, the  
227 Secretary of the Office of Policy and Management shall approve such  
228 waiver.

229 Sec. 9. Section 12-128 of the general statutes is repealed and the  
230 following is substituted in lieu thereof (*Effective October 1, 2013*):

231 The amount of any tax which has been collected erroneously from  
232 any person who has served in the Army, Navy, Marine Corps, Coast  
233 Guard or Air Force of the United States, or from his relative, as  
234 specified in section 12-81, may be recovered from the municipality to  
235 which the same has been paid at any time within six years from the  
236 date of such payment upon presentation of a claim therefor to the  
237 collector of taxes. The collector shall examine such claim and, upon  
238 finding the claimant entitled thereto, shall certify to that effect to the  
239 selectmen of such town or other proper official of such municipality.  
240 Upon receipt of such certification, the selectmen or other proper  
241 official shall draw an order upon the treasurer in favor of such  
242 claimant for the amount, without interest, to which such claimant is  
243 entitled. Any payment for which no timely application is made or  
244 granted under this section shall be the property of the municipality.

245 Sec. 10. Section 12-129 of the general statutes is repealed and the  
246 following is substituted in lieu thereof (*Effective October 1, 2013*):

247 Any person, firm or corporation who pays any property tax in  
248 excess of the principal of such tax as entered in the rate book of the tax  
249 collector and covered by his warrant therein, or in excess of the legal



250 interest, penalty or fees pertaining to such tax, or who pays a tax from  
251 which the payor is by statute exempt and entitled to an abatement, or  
252 who, by reason of a clerical error on the part of the assessor or board of  
253 assessment appeals, pays a tax in excess of that which should have  
254 been assessed against his property, or who is entitled to a refund  
255 because of the issuance of a certificate of correction, may make  
256 application in writing to the collector of taxes for the refund of such  
257 amount. Such application shall be [made] delivered or postmarked not  
258 later than (1) three years from the date such tax was due, [or] (2) such  
259 extended deadline as the municipality may, by ordinance, establish, or  
260 (3) ninety days after the deletion of any item of tax assessment by a  
261 final court order or pursuant to subdivision (3) of subsection (c) of  
262 section 12-53 or section 12-113. Such application shall contain a recital  
263 of the facts and shall state the amount of the refund requested. The  
264 collector shall, after examination of such application, refer the same,  
265 with his recommendations thereon, to the board of selectmen in a town  
266 or to the corresponding authority in any other municipality, and shall  
267 certify to the amount of refund, if any, to which the applicant is  
268 entitled. The existence of another tax delinquency or other debt owed  
269 by the same person, firm or corporation shall be sufficient grounds for  
270 denying the application. Upon receipt of such application and  
271 certification, the selectmen or such other authority shall draw an order  
272 upon the treasurer in favor of such applicant for the amount of refund  
273 so certified. Any action taken by such selectmen or such other  
274 authority shall be a matter of record, and the tax collector shall be  
275 notified in writing of such action. Upon receipt of notice of such action,  
276 the collector shall make in his rate book a notation which will date,  
277 describe and identify each such transaction. Each tax collector shall, at  
278 the end of each fiscal year, prepare a statement showing the amount of  
279 each such refund, to whom made and the reason therefor. Such  
280 statement shall be published in the annual report of the municipality  
281 or filed in the town clerk's office within sixty days of the end of the  
282 fiscal year. Any payment for which no timely application is made or  
283 granted under this section shall permanently remain the property of  
284 the municipality. Nothing in this section shall be construed to allow a

285 refund based upon an error of judgment by the assessors.  
286 Notwithstanding the provisions of this section, the legislative body of  
287 a municipality may, by ordinance, authorize the tax collector to retain  
288 payments in excess of the amount due provided the amount of the  
289 excess payment is less than five dollars.

290 Sec. 11. Section 12-130 of the general statutes is repealed and the  
291 following is substituted in lieu thereof (*Effective October 1, 2013*):

292 (a) When any community, authorized to raise money by taxation,  
293 lays a tax, it shall appoint a collector thereof; and the selectmen of  
294 towns, and the committees of other communities, except as otherwise  
295 specially provided by law, shall make out and sign rate bills containing  
296 the proportion which each individual is to pay according to the  
297 assessment list; and any judge of the Superior Court or any justice of  
298 the peace, on their application or that of their successors in office, shall  
299 issue a warrant for the collection of any sums due on such rate bills.  
300 Each collector shall mail or hand to each individual from whom taxes  
301 are due a bill for the amount of taxes for which such individual is  
302 liable, [and shall attach thereto a statement of the year and amount of  
303 all back taxes for which such individual is liable.] In addition, the  
304 collector shall include with such bill, using one of the following  
305 methods (1) attachment, (2) enclosure, or (3) printed matter upon the  
306 face of the bill, a statement of state aid to municipalities which shall be  
307 in the following form:

308 The (fiscal year) budget for the (city or town) estimates that ....  
309 Dollars will be received from the state of Connecticut for various state  
310 financed programs. Without this assistance your (fiscal year) property  
311 tax would be (herein insert the amount computed in accordance with  
312 subsection (b) of this section) mills.

313 Failure to send out or receive any such bill or statement shall not  
314 invalidate the tax. For purposes of this subsection, "mail" includes to  
315 send by electronic mail, provided an individual from whom taxes are  
316 due consents in writing to receive a bill and statement electronically.  
317 Prior to sending any such bill or statement by electronic mail, a

318 community shall provide the public with the appropriate electronic  
319 mail address of the community on the community's Internet web site  
320 and shall establish procedures to ensure that any individual who  
321 consents to receive a bill or statement electronically (1) receives such  
322 bill or statement, and (2) is provided the proper return electronic mail  
323 address of the community sending the bill or statement.

324 (b) The mill rate to be inserted in the statement of state aid to  
325 municipalities required by subsection (a) shall be computed on the  
326 total estimated revenues required to fund the estimated expenditures  
327 of the municipality exclusive of assistance received or anticipated from  
328 the state.

329 Sec. 12. Section 12-132 of the general statutes is repealed and the  
330 following is substituted in lieu thereof (*Effective October 1, 2013*):

331 Warrants for the collection of taxes may be in the following form:

332 To A.B., collector of taxes of the (here insert the name of community  
333 laying the tax), in the county of ..., greeting: By authority of the state of  
334 Connecticut, you are hereby commanded forthwith to collect of each  
335 person named in the annexed list his proportion of the same, as therein  
336 stated, being a tax laid by (name of community), on the .... day of ...,  
337 A.D. 20... And you are to pay the amount of said tax, less abatements,  
338 and less taxes the lien for which has been continued by certificate to  
339 the treasurer of said (name of the community), on or before the .... day  
340 of ..., A.D. 20... And if any person fails to pay his proportion of said  
341 tax, upon demand, you are to levy upon his goods and chattels, and  
342 dispose of the same as the law directs; and after satisfying said tax and  
343 the lawful charges, return the surplus, if any, to him; and if such goods  
344 and chattels do not come to your knowledge, you are to levy upon his  
345 real estate, and sell enough thereof to pay his tax and the costs of levy,  
346 and give to the purchaser a deed thereof.

347 Dated at .... this .... day of ..., A.D. 20...

348 A.B.,

349 Judge of the Superior Court [.]  
350 or Justice of the peace.

351 Sec. 13. Section 12-134 of the general statutes is repealed and the  
352 following is substituted in lieu thereof (*Effective October 1, 2013*):

353 Each [town clerk] assessor or rate maker shall assign a number to  
354 each tax account, and the collector shall issue a tax receipt containing  
355 the same number for such account.

356 Sec. 14. Section 12-135 of the general statutes is repealed and the  
357 following is substituted in lieu thereof (*Effective October 1, 2013*):

358 (a) Any collector of taxes, and any state marshal or constable  
359 authorized by such collector, shall, during their respective terms of  
360 office, have authority to collect any taxes and any water or sanitation  
361 charges due the municipality served by such collector for which a  
362 proper warrant and a proper alias tax warrant, in the case of the  
363 deputized officer, have been issued. Such alias tax warrant may be  
364 executed by any officer above named in any part of the state, and the  
365 collector in person may demand and collect taxes or water or  
366 sanitation charges in any part of the state on a proper warrant. Any  
367 such state marshal or constable so authorized who executes such an  
368 alias tax warrant outside of such state marshal's or constable's precinct  
369 shall be entitled to collect from the person owing the tax or the water  
370 or sanitation charges the fees allowed by law, except that the minimum  
371 total fees shall be five dollars and the maximum total fees shall be  
372 fifteen dollars for each alias tax warrant so executed. For the purposes  
373 of this subsection, "water or sanitation charges" means (1) any rates or  
374 charges established pursuant to section 7-239, or (2) any charges  
375 imposed by a municipality for the collection and disposal of garbage,  
376 trash, rubbish, waste material and ashes.

377 (b) Upon the expiration of the collector's term of office, such  
378 collector shall deliver to his or her immediate successor in office the  
379 rate bills not fully collected and such successor shall have authority to  
380 collect the taxes due thereon. Any person who fails to deliver such rate

381 bills to such person's immediate successor within ten days from the  
382 qualification of such successor shall be fined not more than two  
383 hundred dollars or imprisoned not more than six months, or both.

384 [(c) When any collector, after having settled his or her rate bill with  
385 the proper officers, dies before completing the collection of the tax,  
386 such collector's executor or administrator may, within six years after  
387 his or her decease, recover the amount uncollected from those liable to  
388 pay the same, with interest thereon.]

389 Sec. 15. Section 12-137 of the general statutes is repealed and the  
390 following is substituted in lieu thereof (*Effective October 1, 2013*):

391 When the tax collector of any town, city, borough, fire district or  
392 other municipality, by reason of illness or disability, becomes unable to  
393 discharge the duties of his office, the selectmen of the town, or a  
394 majority of them, or the governing body of any such municipality,  
395 may, by a writing signed by them or by the authorized officer of the  
396 governing body, as the case may be, appoint some suitable person as  
397 acting tax collector, who, upon being sworn and giving a bond  
398 satisfactory to the selectmen or such governing body, may thereupon  
399 exercise all the duties and perform all the functions of such tax  
400 collector until such time as such tax collector is found by such  
401 selectmen or such governing body to have become able to discharge  
402 the duties of his office or until his successor is elected or appointed and  
403 has qualified.

404 Sec. 16. Section 12-138 of the general statutes is repealed and the  
405 following is substituted in lieu thereof (*Effective October 1, 2013*):

406 The collector of town taxes in each town shall report to the town  
407 clerk and assessor all property liable to assessment therein which is not  
408 assessed, or is assessed to wrong parties, as soon as such fact comes to  
409 his knowledge, and the town clerk shall make a proper memorandum  
410 thereof, to be kept in his office for the use of the board of assessors of  
411 such town.

412 Sec. 17. Section 12-140 of the general statutes is repealed and the  
413 following is substituted in lieu thereof (*Effective October 1, 2013*):

414 The fee of collectors for issuing an alias tax warrant shall be six  
415 dollars. [The fees of collectors upon a levy and sale shall be as follows:  
416 For each levy on real or personal property, twenty cents; for each  
417 notice posted, filed, published or sent by mail, as required by law,  
418 twenty-five cents; for each mile of travel from the residence of the  
419 collector to the farthest point where he is by law required to take a  
420 notice, or to go to levy upon personal property, and thence back to his  
421 residence once, twenty cents; for each sale of real or personal property,  
422 four dollars; for each deed or bill of sale, two dollars.] All [other]  
423 reasonable and necessary costs or expenses for necessary advertising,  
424 postage on notices, and reasonable sums paid town clerks or other  
425 persons for examining records to ascertain encumbrances upon  
426 property sold, for preparing notices at the direction of the tax collector,  
427 for drafting collector's deeds, for attorney's fees, for all fees and costs  
428 incurred by the municipality in defending any civil action brought as a  
429 result of a tax sale or an alias tax warrant or which seeks to enjoin or  
430 declare unlawful any tax sale or alias tax warrant, for the services of  
431 auctioneers, clerks and other persons retained to assist the collector in  
432 conducting the tax sale, for filings in the land records, fees paid to any  
433 federal, state or local government entity or agency and for any other  
434 fees and expenses incurred [, shall be added to the above fees. All fees  
435 and additions provided for by this section] or otherwise provided by  
436 law shall be paid by the delinquent taxpayer or as provided in section  
437 12-157.

438 Sec. 18. Section 12-141 of the general statutes is repealed and the  
439 following is substituted in lieu thereof (*Effective October 1, 2013*):

440 "Municipality", wherever used in sections 12-142 to [12-150] 12-170,  
441 inclusive, includes each town, consolidated town and city,  
442 consolidated town and borough, city, borough, school district, fire  
443 district, fire and sewer district, sewer district, lighting district and  
444 improvement association and each municipal organization and taxing

445 district not previously mentioned. Except as otherwise indicated in the  
446 context, "tax", wherever used in said sections, includes each property  
447 tax and each installment and part thereof due to a municipality,  
448 including any interest, penalties, fees and charges, including collection  
449 fees of a collection agency, attorney's fees and those fees and charges  
450 set forth in section 12-140, as amended by this act.

451 Sec. 19. Section 12-141a of the general statutes is repealed and the  
452 following is substituted in lieu thereof (*Effective October 1, 2013*):

453 Any municipality may allow the payment of taxes, penalties,  
454 interest and fees by means of a credit card and may charge the  
455 taxpayer a service fee for any such payment made by credit card. The  
456 fee shall not exceed any charge by the credit card issuer or service  
457 provider, including any discount rate. Payments by credit card shall be  
458 made at such times and under such conditions as the municipality may  
459 prescribe. The debt incurred through the payment of taxes by means of  
460 a credit card shall not be considered a tax collectible pursuant to the  
461 provisions of section 12-172.

462 Sec. 20. Section 12-144b of the general statutes is repealed and the  
463 following is substituted in lieu thereof (*Effective October 1, 2013*):

464 [Each tax payment made to a municipality for taxes due on any  
465 specific property shall be applied by the municipality toward payment  
466 of the oldest outstanding tax levied on such property with the interest  
467 thereon; provided, if] Except as otherwise provided by the general  
468 statutes, all payments made to or recovered by the municipality on any  
469 specific property shall be applied (1) first, for any outstanding  
470 unsecured taxes, to expenses concerning such unsecured taxes,  
471 including attorney's fees, collection expenses, recording fees, collector's  
472 fees and other expenses and charges related to all delinquencies owed  
473 by the party liable therefor before the interest accrued, then to the  
474 principal of such outstanding unsecured taxes, paying the oldest such  
475 tax first, and (2) for any outstanding secured taxes, first to expenses  
476 concerning such secured taxes, including attorney's fees, collection  
477 expenses, recording fees, collector's fees and other expenses and

478 charges related to all delinquencies owed by the party liable therefor  
479 before the interest accrued, then to the principal of such outstanding  
480 secured taxes, paying the oldest such tax first. If there is litigation  
481 pending between the municipality and the party liable for the oldest  
482 outstanding tax on such property concerning such oldest outstanding  
483 tax, such tax payment shall only be applied to the oldest outstanding  
484 tax on such property which is not involved in such litigation, provided  
485 this section shall not apply to tax payments tendered by third parties  
486 pursuant to contract or by operation of law. The municipality shall not  
487 be bound by any notation on or accompanying a payment that  
488 purports to be payment in full, proposes to waive any rights or powers  
489 of the municipality, directs application of the payment in any manner  
490 that contradicts any applicable statute or ordinance or is otherwise  
491 contrary to law.

492       Sec. 21. Section 12-144c of the general statutes is repealed and the  
493 following is substituted in lieu thereof (*Effective October 1, 2013*):

494       Any municipality may waive any property tax due in an amount  
495 less than twenty-five dollars by action of its legislative body. [before  
496 the date such tax is due.]

497       Sec. 22. Section 12-145 of the general statutes is repealed and the  
498 following is substituted in lieu thereof (*Effective October 1, 2013*):

499       The tax collector of each municipality shall, at least five days next  
500 preceding the time when each tax becomes due and payable, give  
501 notice of the time and place at which the tax collector will receive such  
502 tax by advertising in a newspaper published in such municipality or, if  
503 no newspaper is published in such municipality, by advertising in any  
504 newspaper of the state having a general circulation in such  
505 municipality and by posting such notice on a signpost, [therein, if any,  
506 otherwise on a signpost in the town within which such municipality is  
507 situated, if any, or at some other exterior place near the office of the  
508 town clerk] a bulletin board or the municipality's Internet web site.  
509 The tax collector shall repeat such advertising within one week after  
510 such tax has become due and payable and, again, at least five days



511 before such tax becomes delinquent. Each such notice shall give each  
512 date on which such tax shall become due and payable and each date  
513 on which such tax shall become delinquent, and shall state that, as  
514 soon as such tax becomes delinquent, it shall be subject to interest at  
515 the rate of one and one-half per cent of such tax for each month or  
516 fraction thereof which elapses from the time when such tax becomes  
517 due and payable until the same is paid. The tax collector of a  
518 municipality may waive the interest on delinquent property taxes if  
519 the tax collector and the assessor, jointly, determine that the  
520 delinquency is attributable to an error by the tax assessor or tax  
521 collector and is not the result of any action or failure on the part of the  
522 taxpayer. The tax collector shall notify the taxing authority of the  
523 municipality of all waivers granted pursuant to this section.

524 Sec. 23. Section 12-146 of the general statutes is repealed and the  
525 following is substituted in lieu thereof (*Effective October 1, 2013*):

526 Unless the context otherwise requires, wherever used in this section,  
527 "tax" includes each property tax and each installment and part thereof  
528 due to a municipality as it may have been increased by interest, fees  
529 and charges. If any tax due in a single installment or if any installment  
530 of any tax due in two or more installments is not paid in full (1) on or  
531 before the first day of the month next succeeding the month in which it  
532 became due and payable, or if not due and payable on the first day of  
533 the month, (2) on or before the same date of the next succeeding month  
534 corresponding to that of the month on which it became due and  
535 payable, the whole or such part of such installment as is unpaid shall  
536 thereupon be delinquent and shall be subject to interest from the due  
537 date of such delinquent installment. Except for unpaid real estate taxes  
538 the collection of which was, or is, deferred under the provisions of  
539 section 12-174, and any predecessor and successor thereto, which  
540 unpaid real estate taxes continue to be subject to the provisions of such  
541 deferred collection statutes, the delinquent portion of the principal of  
542 any tax shall be subject to interest at the rate of eighteen per cent per  
543 annum from the time when it became due and payable until the same  
544 is paid, subject to a minimum interest charge of two dollars per

545 installment which any municipality, by vote of its legislative body,  
546 may elect not to impose, and provided, in any computation of such  
547 interest, under any provision of this section, each fractional part of a  
548 month in which any portion of the principal of such tax remains  
549 unpaid shall be considered to be equivalent to a whole month. Each  
550 addition of interest shall become, and shall be collectible as, a part of  
551 such tax. Interest shall accrue at said rate until payment of such taxes  
552 due notwithstanding the entry of any judgment in favor of the  
553 municipality against the taxpayer or the property of the taxpayer.  
554 [Except as hereinafter specified for taxes representing two or more  
555 items of property, the collector shall not receive any partial payment of  
556 a delinquent tax which is less than the total accrued interest on the  
557 principal of such tax up to the date of payment and] The collector shall  
558 apply each partial payment to the wiping out of such interest before  
559 making any application thereof to the reduction of such principal. [  
560 provided, whenever the first partial payment is made after  
561 delinquency, interest from the due date of such delinquent tax to the  
562 date of such partial payment shall be figured on the whole or such part  
563 of the principal of such tax as is unpaid at the beginning of  
564 delinquency and provided, whenever a subsequent partial payment of  
565 such tax is made, interest shall be figured from the date of payment of  
566 the last-preceding, to the date of payment of such subsequent, partial  
567 payment on the whole or such balance of the principal of such tax as  
568 remains unpaid on the date of the last-preceding partial payment.] If  
569 any tax, at the time of assessment or because of a subsequent division,  
570 represents two or more items of property, the collector may receive  
571 payment in full of such part of the principal and interest of such tax as  
572 represents one or more of such items, even though interest in full on  
573 the entire amount of the principal of such tax has not been received up  
574 to the date of such payment; in which event, interest on the remaining  
575 portion of the principal of any such tax shall be computed, as the case  
576 may be, from the due date of such tax if no other payment after  
577 delinquency has been made or from the last date of payment of interest  
578 in full on the whole amount or unpaid balance of the principal of such  
579 delinquent tax if previous payment of interest has been made. Each

580 collector shall keep a separate account of such interest and the time  
581 when the same has been received and shall pay over the same to the  
582 treasurer of the municipality of the collector as a part of such tax. No  
583 tax or installment thereof shall be construed to be delinquent under the  
584 provisions of this section if the envelope containing the amount due as  
585 such tax or installment, as received by the tax collector of the  
586 municipality to which such tax is payable, bears a postmark showing a  
587 date within the time allowed by statute for the payment of such tax or  
588 installment. Any municipality may, by vote of its legislative body,  
589 require that any delinquent property taxes [applicable with respect to a  
590 motor vehicle] shall be paid only in cash or by certified check or  
591 money order. Any municipality adopting such requirement may  
592 provide that such requirement shall only be applicable to delinquency  
593 exceeding a certain period in duration as determined by such  
594 municipality. Any municipality shall waive all or a portion of the  
595 interest due and payable under this section on a delinquent tax with  
596 respect to a taxpayer who has received compensation under chapter  
597 968 as a crime victim.

598       Sec. 24. Section 12-146a of the general statutes is repealed and the  
599 following is substituted in lieu thereof (*Effective October 1, 2013*):

600       Any municipality, as defined in subsection (a) of section 12-41, or  
601 any district health department, formed under chapter 368f, may  
602 withhold or revoke any license or permit, issued by such municipality  
603 or district health department, to operate a business enterprise if any  
604 taxes levied by such municipality or, in the case of a district  
605 department of health, by any constituent municipality of such district,  
606 against [personal] any property owned by or used in such business  
607 enterprise are delinquent and have been so delinquent for a period of  
608 not less than one year.

609       Sec. 25. Section 12-147 of the general statutes is repealed and the  
610 following is substituted in lieu thereof (*Effective October 1, 2013*):

611       Except as otherwise provided by law, each tax collector shall, on or  
612 before the tenth day of each month, pay to the treasurer of the

613 municipality all moneys collected by him previous to the first day of  
614 that month in taxes, interest, penalties and lien fees thereon. All  
615 moneys collected by the collector or his duly appointed agent in taxes  
616 and interest, penalties, fees and charges and lien fees thereon, during  
617 the period in which they are held by the collector or his duly  
618 appointed agent, shall be deposited at least weekly, as provided in  
619 section 7-402, in the name of the municipality for which they were  
620 collected. The treasurer of each [town designated in section 12-151]  
621 municipality shall examine monthly the books of the tax collector,  
622 [provided for in said section.] If the collector of any municipality  
623 retains any of such moneys [or lists] or fails to pay any of such moneys  
624 [or deliver any of such lists] as required herein, he shall thereupon  
625 forfeit all compensation for collecting such moneys and the treasurer  
626 shall forthwith inform the selectmen if a town not consolidated with a  
627 city or borough, the common council or board of aldermen if a city, the  
628 warden and burgesses if a borough or the governing board if any other  
629 municipality, in writing, of such retention or neglect, and such  
630 authority shall enforce such forfeiture.

631 Sec. 26. Section 12-150 of the general statutes is repealed and the  
632 following is substituted in lieu thereof (*Effective October 1, 2013*):

633 Any person who violates any provision of section 12-134, as  
634 amended by this act, 12-147, as amended by this act, [12-149, 12-151] or  
635 12-153, as amended by this act, shall forfeit to the municipality where  
636 such violation occurs the sum of one hundred dollars.

637 Sec. 27. Section 12-153 of the general statutes is repealed and the  
638 following is substituted in lieu thereof (*Effective October 1, 2013*):

639 Whenever a partial payment is made on any tax account because of  
640 the transfer of title of part of any property represented by such  
641 account, the collector shall, if requested, indicate on such partial  
642 payment receipt the property on which such partial payment applies. [,  
643 and shall make endorsement on the original tax receipt blank, as  
644 required in section 12-151.]

645 Sec. 28. Section 12-154 of the general statutes is repealed and the  
646 following is substituted in lieu thereof (*Effective October 1, 2013*):

647 If any collector of taxes fails to [collect and pay the same] pay taxes  
648 collected within the time limited by law or by the community  
649 imposing such tax, any judge of the Superior Court, on application of  
650 the selectmen of the town or the committee of the municipal district  
651 imposing such tax, shall grant an execution against the estate of such  
652 collector, of the same form and to be levied in the same manner as  
653 executions in civil actions. If any collector of taxes fails to perform the  
654 duties of his appointment, any judge of the Superior Court, on written  
655 application of the selectmen of the town, the mayor and alderman of  
656 the city, the warden and burgesses of the borough or the committee of  
657 the municipal district which laid the taxes, after due notice and  
658 hearing, may remove him from office.

659 Sec. 29. Section 12-155 of the general statutes is repealed and the  
660 following is substituted in lieu thereof (*Effective October 1, 2013*):

661 (a) If any person fails to pay any tax, or fails to pay any water or  
662 sanitation charges within thirty days after the due date, the collector or  
663 the collector's duly appointed agent shall make personal demand of  
664 such person therefor or leave written demand at such person's usual  
665 place of abode or deposit in some post office a written demand for  
666 such tax or such water or sanitation charges, postage prepaid,  
667 addressed to such person at such person's last-known place of  
668 residence unless, after making reasonable efforts, the assessor is unable  
669 to identify the owner or persons responsible. If such person is a  
670 corporation, limited partnership or other legal entity, such written  
671 demand may be sent to any person upon whom process may be served  
672 to initiate a civil action against such corporation, limited partnership or  
673 entity.

674 (b) After demand has been made in the manner provided in  
675 subsection (a) of this section, the collector for the municipality, alone or  
676 jointly with the collector of any other municipality owed taxes by such  
677 person, may (1) levy for any unpaid tax or any unpaid water or

678 sanitation charges on any goods and chattels of such person and post  
679 and sell such goods and chattels in the manner provided in case of  
680 executions, or (2) enforce by levy and sale any lien upon real estate for  
681 any unpaid tax or levy upon and sell such interest of such person in  
682 any real estate as exists at the date of the levy for such tax.

683 (c) For the purposes of this section, "water or sanitation charges"  
684 means (1) any rates or charges established pursuant to section 7-239, or  
685 (2) any charges imposed by a municipality for the collection and  
686 disposal of garbage, trash, rubbish, waste material and ashes.

687 Sec. 30. Section 12-157 of the general statutes is repealed and the  
688 following is substituted in lieu thereof (*Effective October 1, 2013*):

689 (a) When a collector levies one or more tax warrants on real estate,  
690 he or she shall prepare notices thereof, containing the name of the  
691 taxpayer, a legal description of the real property or citation to an  
692 instrument in the land records, an assessor's map or another publicly  
693 available document identifying the real property's boundaries,  
694 [including] the street address, [upon which taxes are due] if such real  
695 property has one, the amount of the tax or taxes due, including any  
696 interest and charges attributable to the property as of the last day of  
697 the month immediately preceding the notice, a statement that  
698 additional taxes, interest, fees and other charges authorized by law  
699 accruing after the last of the month immediately preceding the notice  
700 [will be] have been added to the amount indicated as due and owing  
701 in the notice, and the date, time and place of sale. The collector shall  
702 post one notice on a [signpost] bulletin board in or near the collector's  
703 office in the town where such real estate is situated, if any, or at some  
704 other exterior place near the office of the town clerk, which is nearest  
705 thereto; one shall be filed in the town clerk's office of such town and  
706 such town clerk shall record and index the same as a part of the land  
707 records of such town, which recording shall serve as constructive  
708 notice equivalent to a lis pendens for all purposes, and one shall be  
709 sent by certified mail, return receipt requested, to the taxpayer and  
710 each mortgage, lienholder and other [record] encumbrancer of record

711 whose interest is choate and will be affected by the sale. Such posting,  
712 filing and mailing shall be done not more than twelve and not less than  
713 nine weeks before the time of sale and shall constitute a legal levy of  
714 such warrant or warrants upon the real estate referred to in the notice.  
715 Such collector shall also publish a similar notice for three weeks, at  
716 least once each week, in a newspaper published in such town, [if any,  
717 otherwise] or in a newspaper published in the state having a general  
718 circulation in such town. The first notice shall be published beginning  
719 not more than twelve and not less than nine weeks before the time of  
720 sale and the last shall be published not more than four weeks nor less  
721 than two weeks before such sale. He shall also send by certified mail,  
722 return receipt requested, to the delinquent taxpayer and to each  
723 mortgagee, lienholder and other [record] encumbrancer of record  
724 whose interest in such property is choate and will be affected by such  
725 sale, a similar notice which shall not be required to list information  
726 pertaining to properties in which the person to whom the notice is  
727 directed has no interest. The notice shall be sent at least twice, the first  
728 not more than eight nor less than five weeks before such sale and the  
729 last not more than four weeks nor less than two weeks before such  
730 sale. The notice shall be addressed to his or her place of residence, if  
731 known to the collector, or to his or her estate or the fiduciary thereof if  
732 the collector knows him or her to be deceased, or to the address, or the  
733 agent of such person, to which such person has requested that tax bills  
734 be sent. If there is no address of such person, or if no such agent is  
735 given in the records of such town, the notice shall be sent to the place  
736 where such person regularly conducts business or other address as the  
737 collector believes will give notice of the levy and sale. If a person is a  
738 corporation, limited partnership or other legal entity, the notice may be  
739 sent to any person upon whom process may be served to initiate a civil  
740 action against such corporation, limited partnership or entity or to any  
741 other address that the collector believes will give notice of the levy and  
742 sale. If no place of residence or business is known and cannot be  
743 determined by the tax collector for any owner, taxpayer, mortgagee,  
744 lienholder or other encumbrancer whose interest in the property is  
745 choate and will be affected by the sale, in lieu of notice by certified

746 mail as provided in this subsection, the notice, together with the list of  
747 mortgagees, lienholders, and other [record] encumbrancers of record  
748 whose interests in the property are choate and will be affected by such  
749 sale, shall be published in a newspaper published in this state, having  
750 a [daily] general circulation in the town in which such property is  
751 located at least twice, the first not more than eight weeks nor less than  
752 five weeks before such sale and the last not more than four weeks nor  
753 less than two weeks before such sale.

754 (b) The collector may, for any reason, adjourn such sale from time to  
755 time by causing public notice of such adjournment and the time and  
756 place of such adjourned sale to be given either by oral announcement  
757 or posting of a written notice at the time and place designated for the  
758 sale in the notices of such sale. If the adjourned date is set for a date  
759 more than three days from the date of the original or rescheduled sale  
760 date, the tax collector shall provide a postage prepaid written notice of  
761 the new time and place of the sale to the delinquent taxpayer and each  
762 mortgagee, lienholder and other [record] encumbrancer of record  
763 whose interest is choate and will be affected by the sale.

764 (c) At the time and place stated in such notices, or, if such sale is  
765 adjourned, at the time and place specified at the time of adjournment  
766 as aforesaid, such collector (1) may sell at public auction to the highest  
767 bidder all of said real property, to pay the taxes with the interest, fees  
768 and other charges allowed by law, including, but not limited to, those  
769 charges set forth in section 12-140, as amended by this act, or (2) may  
770 sell all of said real property to his municipality if there has been no  
771 bidder or the amount bid is insufficient to pay the amount due.

772 (d) The collector shall post, at the time and place of the sale, a  
773 written notice stating the amount of all taxes, interest, fees and other  
774 charges authorized by law with respect to each property to be sold.  
775 The tax collector may publish or announce any rules for the orderly  
776 conduct of the auction and the making of payment by successful  
777 bidders which are not inconsistent with the requirements of law. The  
778 tax collector or the municipality may retain the services of auctioneers,



779 clerks and other persons to assist the tax collector in the conduct of the  
780 sale and the cost of such persons paid for their services shall be added  
781 to the taxes due from the delinquent taxpayer. If more than one  
782 property is sold, the tax collector shall apportion [such] all shared costs  
783 equally among all the properties.

784 (e) Within two weeks after such sale, the collector shall execute a  
785 deed thereof to the purchaser or to the municipality conducting the  
786 sale and shall lodge the same in the office of the town clerk of such  
787 town, where it shall remain unrecorded six months from the date of  
788 such sale.

789 (f) Within sixty days after such sale, the collector shall cause to be  
790 published in a newspaper having a daily general circulation in the  
791 town in which the real property is located, and shall send by certified  
792 mail, return receipt requested, to the delinquent taxpayer and each  
793 mortgagee, lienholder and other [record] encumbrancer of record  
794 whose interest in such property is choate and is affected by such sale, a  
795 notice stating the date of the sale, the name and address of the  
796 purchaser, the amount the purchaser paid for the property and the  
797 date the redemption period will expire. The notice shall include a  
798 statement that if redemption does not take place by the date stated and  
799 in the manner provided by law, the delinquent taxpayer, and all  
800 mortgagees, lienholders and other [record] encumbrancers who have  
801 received actual or constructive notice of such sale as provided by law,  
802 that their respective titles, mortgages, liens and other encumbrances in  
803 such property shall be extinguished. Not later than six months after the  
804 date of the sale or within sixty days if the property was abandoned or  
805 meets other conditions established by ordinance adopted by the  
806 legislative body of the town, if the delinquent taxpayer, mortgagee,  
807 lienholder or other [record] encumbrancer whose interest in the  
808 property will be affected by such sale, pays [or tenders] to the  
809 collector, the amount of taxes, interest and charges which were due  
810 and owing at the time of the sale together with interest on the total  
811 purchase price paid by the purchaser at the rate of eighteen per cent  
812 per annum from the date of such sale plus any taxes and debts owed to

813 the municipality that were not recovered by the sale and any  
814 additional charges under section 12-140, as amended by this act, such  
815 deed, executed pursuant to subsection (e) of this section, shall be  
816 delivered to the collector by the town clerk for cancellation and the  
817 collector shall provide a certificate of satisfaction to the person paying  
818 [or tendering] the money who, if not the person whose primary duty it  
819 was to pay the tax or taxes, shall have a claim against the person  
820 whose primary duty it was to pay such tax or taxes for the amount so  
821 paid, and may add the same with the equivalent precedence and  
822 priority as the tax paid over other encumbrances but without  
823 precedence or priority over any tax that was not yet due and payable  
824 when notice of the levy was first published to any claim for which he  
825 has security upon the property sold, provided the certificate of  
826 satisfaction is recorded on the land records but the interests of other  
827 persons in the property shall not be affected. Within ten days of receipt  
828 of such amounts in redemption of the levied property, the collector  
829 shall notify the purchaser by certified mail, return receipt requested,  
830 that the property has been redeemed and shall tender such payment,  
831 together with the amount held pursuant to subparagraph (A) of  
832 subdivision (1) of subsection (i) of this section, if any, to the purchaser.  
833 If the purchase money and interest are not paid within such  
834 redemption period, the deed shall be recorded and have full effect.

835 (g) During the redemption period, the purchaser or the municipality  
836 shall have a sufficient insurable interest in buildings and  
837 improvements upon such property to insure them against fire and  
838 other risk of physical loss, and may petition the Superior Court for the  
839 appointment of a receiver or for other equitable relief if there shall be  
840 imminent danger of damage or destruction thereto or imminent  
841 danger of injury to persons or to other property resulting from  
842 conditions thereon or on adjoining properties. The purchaser or the  
843 municipality shall not be liable to any person, or subjected to forfeiture  
844 of their interest, solely by reason of acquisition by the person of the tax  
845 deed, for any condition existing or occurrence upon such property or  
846 adjoining public sidewalks and streets, or for any failure to act to  
847 remedy or investigate any such condition or occurrence during such

848 redemption period. The expenses of any receiver appointed on the  
849 application of such purchaser or municipality in excess of any rents or  
850 profits paid to the receiver, all taxes and debts owed to the  
851 municipality that were not recovered by the sale, and any additional  
852 charges under section 12-140, as amended by this act, shall be added to  
853 the amount of the purchase money and interest required to be paid [or  
854 tendered] by any person to the purchaser or municipality for the  
855 collector's deed and paid to the party that incurred such expenses.

856 (h) Any municipality holding a lien for unpaid taxes on real estate,  
857 other than the municipality conducting the sale, may purchase all of  
858 such property at a tax sale.

859 (i) (1) If the sale realizes an amount in excess of the amount needed  
860 to pay all delinquent taxes, interest, penalties, fees, and costs, the  
861 amount of the excess shall be held in an interest-bearing escrow  
862 account separate from all other accounts of the municipality. (A) If the  
863 property is redeemed prior to the expiration of the redemption period,  
864 the amount held in escrow shall, within ten days of the tax collector  
865 receiving notice of redemption, be turned over to the purchaser. Any  
866 interest earned shall be the property of the municipality. (B) If the  
867 property is not redeemed in the redemption period, the amount held  
868 in escrow may be used to pay the delinquent taxes, interest, penalties,  
869 fees and costs on the same or any other property of the taxpayer,  
870 [located in the town,] including personal property and motor vehicles.  
871 In the case of subparagraph (B), the tax collector shall, within ten days  
872 of the expiration of the redemption period, pay to the clerk of the court  
873 for the judicial district in which the property is located the amount  
874 held in escrow remaining after paying the delinquent taxes, interest,  
875 fees, penalties and costs owed by the taxpayer to the municipality. The  
876 tax collector shall, within five days of the payment, provide notice to  
877 the delinquent taxpayer, any mortgagee, lienholder, or other  
878 encumbrancer of record whose interest in such property is choate and  
879 is affected by the sale, by certified mail, return receipt requested of the  
880 name and address of the court to which the moneys were paid, the  
881 person's right to file an application with the court for return of said

882 money, and the amount of money paid to the court.

883 (2) If the tax collector pays to the court any moneys pursuant to  
884 subparagraph (B) of subdivision (1) of this subsection, the delinquent  
885 taxpayer, any mortgagee, lienholder or other encumbrancer whose  
886 interest in such property is choate and is affected by the sale may,  
887 within ninety days of the date the tax collector paid the moneys to the  
888 court, file an application with the court for return of the proceeds. Any  
889 person may make an application for payment of moneys deposited in  
890 court as provided for in this subsection to the superior court for the  
891 judicial district in which the property that is the subject of the  
892 proceedings referred to is located, or if said court is not in session to  
893 any judge thereof, for a determination of the equity of the parties  
894 having an interest in such moneys. Notice of such application shall be  
895 served in the same manner as to commence a civil action on all persons  
896 having an interest of record in such property on the date the collector's  
897 deed is recorded, provided the municipality shall not be a party to  
898 such action without its consent. The court or judge upon such motion  
899 or upon its own motion may appoint a state referee to hear the facts  
900 and to make a determination of the equity of the parties in such  
901 moneys. Such referee, after providing at least ten days' notice to the  
902 parties interested of the time and place of hearing, shall hear the  
903 applicant and any parties interested, take such testimonies as such  
904 referee deems material and determine the equities of the parties having  
905 a record interest in such moneys and immediately report to the court  
906 or judge. The report shall contain a detailed statement of findings by  
907 the referee, sufficient to enable the court to determine the  
908 considerations upon which the referee based his conclusions. The  
909 report may be rejected for any irregular or improper conduct in the  
910 performance of the duties of such referee. If the report is rejected, the  
911 court or judge shall appoint another referee to make such  
912 determination and report. If the report is accepted, such determination  
913 of the equities shall be conclusive upon all parties given notice of such  
914 hearing, subject to appeal to the Appellate Court. If no appeal to the  
915 Appellate Court is filed within the time allowed by law, or if one is  
916 filed and the proceedings have terminated in a final judgment

917 determining the amount due to each party, the clerk shall send a  
918 certified copy of the statement of compensation and of the judgment to  
919 the prevailing party or parties, as the case may be, which shall, upon  
920 receipt thereof, pay such parties the amount due them as  
921 compensation.

922 (3) If no application is filed with the court, any moneys held by the  
923 court shall escheat to the state pursuant to the provisions of part III of  
924 chapter 32.

925 Sec. 31. Section 12-158 of the general statutes is repealed and the  
926 following is substituted in lieu thereof (*Effective October 1, 2013*):

927 (a) The deed given by any collector for real estate sold by him for  
928 taxes shall be in substance in the form following:

929 Know all men by these presents, that, whereas the (here insert the  
930 name of the taxing authority) did on the .... day of ...., 20.., lay a tax [of  
931 .... mills on the dollar] on its grand list next to be (or last) perfected, a  
932 rate bill for which and for a personal tax (if such be the fact), in all  
933 respects made out according to law with a warrant thereto attached,  
934 was placed in my hands, I being the duly appointed and qualified  
935 collector thereof, for collection, which tax became due on the .... day of  
936 ...., 20..; and, whereas A.B., upon demand made, neglected and refused  
937 to pay the tax set opposite his name in said rate bill, and thereupon, on  
938 the .... day of ...., 20.., I levied upon the parcel of real estate hereinafter  
939 described for that portion of said tax which was assessed thereon, to  
940 wit: \$.... and accrued interest (or if the levy was for the whole tax, for  
941 the amount of said tax, to wit: \$.... and accrued interest) and gave due  
942 notice thereof to said taxpayer and to .... as by law provided, which  
943 real estate so levied upon is situated in .... and bounded ...., and on the  
944 .... day of ...., 20.., no one having previously tendered me said tax with  
945 interest and my fees, in pursuance of said levy, and in accordance with  
946 the terms of said notice, I sold at public auction the whole of (or the  
947 following portion of) said real estate of .... (to wit) to C.D., for the sum  
948 of \$..... Now, therefore, in consideration of the premises, and of said  
949 sum of money, received to my full satisfaction, of said C.D., I hereby

950 bargain and sell unto him the premises last above described, with the  
951 appurtenances, to have and to hold the same to him and his heirs  
952 forever, subject only to taxes laid by such municipality which were not  
953 yet due and payable when I first published notice of levy and sale,  
954 easements, covenants and restrictions in favor of other parcels of land,  
955 interests exempt from levy and sale under the Constitution and laws of  
956 the United States and such other interests, if any, hereinafter described,  
957 to wit .... And also, I, the said collector, acting in the name of and for  
958 (name of municipality), do by these presents bind (name of  
959 municipality), forever, to warrant and defend the above granted and  
960 bargained premises to the said grantee, his heirs and assigns, against  
961 all claims and demands arising from any necessary act omitted or  
962 unlawful act done by me in connection with the aforesaid levy or sale  
963 which impairs the same. In witness whereof I have hereunto set my  
964 hand and seal this .... day of ...., 20...

965 E. F., (Seal).  
966 Collector as aforesaid.

967 Signed, sealed, and delivered  
968 in the presence of

969 (Usual form of acknowledgment).

970 (b) The liability of any municipality for breach of the warranties  
971 contained in a collector's deed shall be limited to the amount paid to  
972 the collector by the grantee and amounts reasonably expended after its  
973 recording to improve and operate the property conveyed by the deed  
974 to the extent such amounts are not recoverable from the person found  
975 to be the true owner of the property.

976 Sec. 32. Section 12-159 of the general statutes is repealed and the  
977 following is substituted in lieu thereof (*Effective October 1, 2013*):

978 Any deed, or the certified copy of the record of any deed,  
979 purporting to be executed by a tax collector and similar, or in

980 substance similar, to the above, shall be prima facie evidence of a valid  
981 title in the grantee to the premises therein purported to be conveyed,  
982 encumbered only by the lien of taxes to the municipality which were  
983 not yet due and payable on the date notice of levy was first made,  
984 easements and similar interests appurtenant to other properties not  
985 thereby conveyed, and other interests described therein and of the  
986 existence and regularity of all votes and acts necessary to the validity  
987 of the tax therein referred to, as the same was assessed, and of the levy  
988 and sale therefor, and no tax collector shall be required to make return  
989 upon his warrant of his doings thereunder, except that the purchaser  
990 may, within ninety days of the recording of the collector's deed,  
991 request in writing from the tax collector, an affidavit which complies  
992 with the provisions of section 12-167a. The tax collector shall provide  
993 such affidavit within thirty days of receipt of such request. The town  
994 clerk shall record such affidavit in the land records of such town and  
995 shall index the affidavit under the name of the purchaser as grantee.  
996 No act done or omitted relative to the assessment or collection of a tax,  
997 including everything connected therewith, after the vote of the  
998 community laying the same, up to and including the final collection  
999 thereof or sale of property therefor, shall in any way affect or impair  
1000 the validity of such tax as assessed, collected or sought to be collected  
1001 or the validity of such sale, unless the person seeking to enjoin or  
1002 contesting the validity of such sale shows that the collector neglected  
1003 to provide notice pursuant to section 12-157, as amended by this act, to  
1004 such person or to the predecessors of such person in title, and who had  
1005 a right to notice of such sale, and that the person or they in fact did not  
1006 know of such sale within six months after it was made, and provided  
1007 such property was by law liable to be sold to satisfy such tax. The fact  
1008 that the collector may have charged or received illegal fees upon such  
1009 sale shall not impair the sale's validity. If the person contesting such  
1010 fees shows that illegal fees were charged by the collector, the  
1011 municipality shall refund such illegal fees together with legal interest  
1012 from the date of their payment in accordance with section 12-129, as  
1013 amended by this act.

1014 Sec. 33. Subsection (a) of section 12-159a of the general statutes is

1015 repealed and the following is substituted in lieu thereof (*Effective*  
1016 *October 1, 2013*):

1017 (a) In any action brought to prove the invalidity of a collector's deed  
1018 or enjoin tax sale proceedings, other than an action based on fraud, the  
1019 court shall, if the complaining party is successful, order the  
1020 complaining party to pay to the tax collector or to the person or  
1021 persons claiming an interest pursuant to such deed, (1) amounts  
1022 representing taxes, interest and other charges lawfully due from the  
1023 complaining party at the time of such tax sale with interest from the  
1024 date of such tax sale at the rate provided in section 12-157, as amended  
1025 by this act, and (2) the reasonable costs of payment of taxes, insurance  
1026 premiums, repairs, maintenance and demolition of any structures  
1027 constituting a nuisance, and the fair market value of any capital  
1028 improvements made to the property by such persons, with interest at  
1029 the rate provided in section 37-3a computed from the time of such  
1030 expenditure or improvement.

1031 Sec. 34. Section 12-159b of the general statutes is repealed and the  
1032 following is substituted in lieu thereof (*Effective October 1, 2013*):

1033 No action alleging the invalidity of a collector's deed, substantially,  
1034 in the form provided in section 12-158, as amended by this act, on any  
1035 grounds other than fraud, shall be brought by any person except  
1036 within one year from the date the collector's deed was recorded or  
1037 [within two years] from the date of the sale, whichever is longer.

1038 Sec. 35. Section 12-165 of the general statutes is repealed and the  
1039 following is substituted in lieu thereof (*Effective October 1, 2013*):

1040 Each municipality shall have a suspense tax book. At least once in  
1041 each year each collector of taxes in each municipality shall deliver to  
1042 the board of finance or other similar board by whatever name called  
1043 or, if no such board exists, to the board of selectmen if a town not  
1044 consolidated with a city or borough, to the common council or board  
1045 of aldermen if a city, to the warden and burgesses if a borough and to  
1046 the governing board if any other municipality, a statement giving by



1047 rate bill: (1) The [amount of each old age assistance tax unpaid on the  
1048 old age assistance tax rate books of each municipality as of July 1, 1953,  
1049 which amount shall be transferred to the old age assistance suspense  
1050 tax book, except that it shall not be necessary to comply with the  
1051 foregoing provisions of this chapter relating to such transfers and the  
1052 provisions of subdivisions (2), (3) and (5) of this section; the amount of  
1053 each uncollectible personal property tax and the amount of  
1054 uncollectible balance of each real estate tax which remains after  
1055 crediting such tax with the proceeds obtained from a tax sale or lien  
1056 sale of the real estate represented by such tax and which balance  
1057 cannot be collected by any other means; (2) the] name and address of  
1058 the person against whom each [such] uncollectible tax was levied, and  
1059 [(3)] (2) the reason why such collector believes each such tax is  
1060 uncollectible. At the end of such statement, the tax collector shall  
1061 certify that, to the best of his knowledge and belief, each tax contained  
1062 in such statement has not been paid and is uncollectible. A detailed  
1063 examination shall be made by the authority to which such statement  
1064 has been given of each tax shown thereon and, after such examination,  
1065 it shall designate in writing each tax which is believed by it to be  
1066 uncollectible. Thereupon, each tax so designated as uncollectible shall  
1067 be transferred by such collector to the suspense tax book. [(4) Opposite  
1068 each tax in the appropriate rate bill shall be placed the following  
1069 words: "Suspense Tax Book .... day of ...., 20..", together with the name  
1070 of the tax collector who transferred such tax to the suspense tax book.]  
1071 (3) Each tax so transferred shall not thereafter be included as an asset  
1072 of such municipality. [(5)] The amount of each tax so transferred  
1073 during the last fiscal year and the name of the person against whom  
1074 each such tax was levied shall be published in the next annual report  
1075 of such municipality or filed in the town clerk's office within sixty days  
1076 of the end of the fiscal year. [(6)] (4) Nothing herein contained shall be  
1077 construed as an abatement of any tax so transferred, but any such tax,  
1078 as it has been increased by interest or penalty, fees and charges, may  
1079 be collected by the collector then or subsequently in office. The  
1080 provisions of section 12-147, as amended by this act, shall be applicable  
1081 to all moneys so collected.

1082       Sec. 36. Section 12-166 of the general statutes is repealed and the  
1083 following is substituted in lieu thereof (*Effective October 1, 2013*):

1084       Unless the context otherwise requires, "tax", wherever used in this  
1085 section, includes each property tax and each installment and part  
1086 thereof due to a municipality, as such tax may have been increased by  
1087 interest, penalties, fees and charges, including collection fees of a  
1088 collection agency and attorneys' fees, provided such attorneys' fees  
1089 shall be limited to those ordered by the court in any court action or  
1090 proceeding brought by the municipality to recover such tax. Each  
1091 collector of taxes of each municipality may collect any tax at any time  
1092 by authority of any present or future legislation providing for the  
1093 collection of any tax and said collector may photostat the receipted  
1094 bills of such collected taxes. Each collector of taxes of each  
1095 municipality shall, within a reasonable period after each unpaid tax, or  
1096 the first installment thereof in case installment payments have been  
1097 authorized, has become due and payable, exclusive of each lawful  
1098 abatement, exclusive of each lawful deduction because of a correction  
1099 which has been made under the provisions of any legislation  
1100 providing for corrections of taxes, exclusive of each uncollectible tax  
1101 which has been lawfully transferred to the suspense tax book under  
1102 the provisions of section 12-165, as amended by this act, exclusive of  
1103 each uncollectible tax removed under the provisions of section 12-164  
1104 and exclusive of each uncollectible tax removed from the rate bills  
1105 under the provisions of section 12-195, proceed to collect such tax as it  
1106 has been increased by interest, penalties, fees and charges and shall,  
1107 when collection has been made, pay the same, together with all  
1108 interest, penalties, fees and charges, to the treasurer of the municipality  
1109 served by him.

1110       Sec. 37. Section 12-168 of the general statutes is repealed and the  
1111 following is substituted in lieu thereof (*Effective October 1, 2013*):

1112       Whenever used herein, the "municipality" has the meaning given to  
1113 it in section 12-141, as amended by this act, and "tax moneys" include  
1114 the receipts from each property tax or assessment, and each

1115 installment and part thereof due a municipality, with any interest or  
1116 other lawful charges incident thereto. The tax collector of any  
1117 municipality in this state shall not be held personally liable for the loss  
1118 of any tax moneys collected by him when he has performed all of the  
1119 duties required of him by statute pertaining to such tax moneys and  
1120 when such loss is not due to negligence or wilful misconduct on his  
1121 part. No tax collector shall compromise or release the amount of any  
1122 tax except as specifically provided by law.

1123 Sec. 38. Section 14-33a of the general statutes is repealed and the  
1124 following is substituted in lieu thereof (*Effective October 1, 2013*):

1125 When a taxpayer who was reported to the Commissioner of Motor  
1126 Vehicles as delinquent in taxes by a tax collector in accordance with  
1127 section 14-33 is no longer delinquent, the tax collector shall  
1128 immediately notify the Commissioner of Motor Vehicles, on forms  
1129 prescribed and furnished by him, specifying the name, address and  
1130 registration number to be removed from the motor vehicle delinquent  
1131 tax list. No tax collector shall knowingly submit a false report to the  
1132 Commissioner of Motor Vehicles that a motor vehicle tax is no longer  
1133 delinquent pursuant to this section.

1134 Sec. 39. Section 12-169 of the general statutes is repealed and the  
1135 following is substituted in lieu thereof (*Effective October 1, 2013*):

1136 When the final day for payment of any tax or any installment  
1137 thereof occurs on Saturday, Sunday or a legal holiday, payment may  
1138 be made without interest or penalty on the following business day.

1139 Sec. 40. Section 12-195h of the general statutes is repealed and the  
1140 following is substituted in lieu thereof (*Effective October 1, 2013*):

1141 Any municipality, by resolution of its legislative body, as defined in  
1142 section 1-1, may assign, for consideration, any and all liens filed by the  
1143 tax collector to secure unpaid taxes on real property as provided under  
1144 the provisions of this chapter. The consideration received by the  
1145 municipality shall be negotiated between the municipality and the

1146 assignee. The assignee or assignees of such liens shall have and possess  
1147 the same powers and rights at law or in equity as such municipality  
1148 and municipality's tax collector would have had if the lien had not  
1149 been assigned with regard to the precedence and priority of such lien,  
1150 the accrual of interest and the fees and expenses of collection and of  
1151 preparing and recording the assignment. The assignee shall have the  
1152 same rights to enforce such liens as any private party holding a lien on  
1153 real property including, but not limited to, foreclosure and a suit on  
1154 the debt.

1155 Sec. 41. Subsection (e) of section 16-262c of the general statutes is  
1156 repealed and the following is substituted in lieu thereof (*Effective*  
1157 *October 1, 2013*):

1158 (e) No provision of the Freedom of Information Act, as defined in  
1159 section 1-200, shall be construed to require or permit a municipal  
1160 utility furnishing electric, gas or water service, a municipality  
1161 furnishing water or sewer service, a district established by special act  
1162 or pursuant to chapter 105 and furnishing water or sewer service or a  
1163 regional authority established by special act to furnish water or sewer  
1164 service to disclose records under the Freedom of Information Act, as  
1165 defined in section 1-200, which identify or could lead to identification  
1166 of the utility usage or billing information of individual customers, to  
1167 the extent such disclosure would constitute an invasion of privacy.  
1168 Nothing in this section prohibits the disclosure of delinquencies or  
1169 enforcement actions.

1170 Sec. 42. Subsection (b) of section 49-31r of the general statutes is  
1171 repealed and the following is substituted in lieu thereof (*Effective from*  
1172 *passage*):

1173 (b) A municipality shall include such form with any [statements  
1174 sent to] complaint served on a homeowner [regarding] to judicially  
1175 foreclose an arrearage owed by the homeowner for public sewer or  
1176 water services or for property taxes.

1177 Sec. 43. Sections 12-143, 12-149, 12-151 and 12-180 of the general

1178 statutes are repealed. (*Effective October 1, 2013*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	7-109
Sec. 2	<i>October 1, 2013</i>	7-328(a)
Sec. 3	<i>October 1, 2013</i>	12-41(c)
Sec. 4	<i>October 1, 2013</i>	12-81d
Sec. 5	<i>October 1, 2013</i>	12-117a
Sec. 6	<i>October 1, 2013</i>	12-124
Sec. 7	<i>October 1, 2013</i>	12-124a(b)
Sec. 8	<i>October 1, 2013</i>	12-125a
Sec. 9	<i>October 1, 2013</i>	12-128
Sec. 10	<i>October 1, 2013</i>	12-129
Sec. 11	<i>October 1, 2013</i>	12-130
Sec. 12	<i>October 1, 2013</i>	12-132
Sec. 13	<i>October 1, 2013</i>	12-134
Sec. 14	<i>October 1, 2013</i>	12-135
Sec. 15	<i>October 1, 2013</i>	12-137
Sec. 16	<i>October 1, 2013</i>	12-138
Sec. 17	<i>October 1, 2013</i>	12-140
Sec. 18	<i>October 1, 2013</i>	12-141
Sec. 19	<i>October 1, 2013</i>	12-141a
Sec. 20	<i>October 1, 2013</i>	12-144b
Sec. 21	<i>October 1, 2013</i>	12-144c
Sec. 22	<i>October 1, 2013</i>	12-145
Sec. 23	<i>October 1, 2013</i>	12-146
Sec. 24	<i>October 1, 2013</i>	12-146a
Sec. 25	<i>October 1, 2013</i>	12-147
Sec. 26	<i>October 1, 2013</i>	12-150
Sec. 27	<i>October 1, 2013</i>	12-153
Sec. 28	<i>October 1, 2013</i>	12-154
Sec. 29	<i>October 1, 2013</i>	12-155
Sec. 30	<i>October 1, 2013</i>	12-157
Sec. 31	<i>October 1, 2013</i>	12-158
Sec. 32	<i>October 1, 2013</i>	12-159
Sec. 33	<i>October 1, 2013</i>	12-159a(a)
Sec. 34	<i>October 1, 2013</i>	12-159b
Sec. 35	<i>October 1, 2013</i>	12-165
Sec. 36	<i>October 1, 2013</i>	12-166

Sec. 37	<i>October 1, 2013</i>	12-168
Sec. 38	<i>October 1, 2013</i>	14-33a
Sec. 39	<i>October 1, 2013</i>	12-169
Sec. 40	<i>October 1, 2013</i>	12-195h
Sec. 41	<i>October 1, 2013</i>	16-262c(e)
Sec. 42	<i>from passage</i>	49-31r(b)
Sec. 43	<i>October 1, 2013</i>	Repealer section

**PD**      *Joint Favorable Subst. C/R*

FIN

**FIN**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 14 \$</b>	<b>FY 15 \$</b>
Various Municipalities	Revenue Gain	Potential	Potential
Various Municipalities	Savings	Potential	Potential

### ***Explanation***

The bill makes numerous clarifying and other changes to municipal tax collection statutes. To the extent that these changes improve tax collectors' ability to collect taxes, the bill could result in both a revenue gain associated with a higher rate of collections and a savings associated with reduced administrative costs.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 965*****AN ACT CONCERNING CHANGES TO MUNICIPAL REVENUE COLLECTION STATUTES.*****SUMMARY:**

This bill (1) makes numerous changes to the municipal tax collection statutes and (2) modifies a requirement that municipalities include a notice of community-based resources for foreclosure mediation with certain statements they send to property owners.

Among other things, the bill:

1. broadens how special taxing districts and their treasurers may enforce tax liens (§ 2);
2. allows municipal officers to inspect, for tax collection purposes, commercial and financial information included in personal property declarations, which are not open for public inspection under existing law (§ 3);
3. gives tax liens issued under one property tax deferral program the same precedence as other tax liens;
4. allows tax collectors to deny a property tax refund if a taxpayer is delinquent in other taxes or has other debt;
5. modifies the time limit for municipalities to give property tax refunds under certain circumstances;
6. eliminates a requirement that tax collectors include, as part of tax bills, a statement of the year and amount of any back taxes due (§ 11);
7. eliminates specific tax collector fees;



8. specifies that, for tax collection purposes, tax amounts include any interest, penalties, fees, and charges, including collection agency fees, attorney's fees, and tax collector fees (§ 18);
9. modifies the order in which tax collectors must apply property tax payments, giving priority to expenses incurred related to the tax and delinquency-related charges before the principal on the oldest outstanding tax;
10. authorizes a municipality's legislative body to waive property taxes that total less than \$25 after they are due;
11. expands the circumstances under which municipalities and district health departments may withhold or revoke a license or permit if a business owes taxes that are at least one year delinquent;
12. allows a person to stop a tax sale under the same process that currently applies to a person contesting the sale's validity;
13. explicitly bars tax collectors from (a) compromising or releasing any tax amount without legal authority to do so and (b) knowingly submitting a false report to the motor vehicles commissioner to remove a motor vehicle from the delinquent tax list (§§ 37-38);
14. eliminates various obsolete provisions (a) requiring tax collectors to use duplicate record-receipt books and maintain certain records and (b) allowing a deceased tax collector's estate executor or administrator to assume the collector's duties (§§ 1, 14, 25-27, 35 & 43); and
15. makes other minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2013

## **MUNICIPAL TAX COLLECTION STATUTES**

### **§ 4 — Acquisition of Taxable Property**

Under current law, taxable property acquired by a town is tax exempt as of the date the town's chief executive officer (CEO) notifies the town's tax collector of its receipt. The bill instead makes it exempt as of the date of its receipt. It also specifies that the town's tax assessor, rather than its collector, must declare the property tax-exempt.

Current law requires the CEO to notify the town tax collector whenever the town acquires taxable property. The bill requires him or her to also notify the town assessor.

#### **§ 5 — Court Appeals from Action of the Board of Assessment Appeals**

The law allows a taxpayer aggrieved by a board of assessment appeals' decision to appeal to the Superior Court. Under current law, if the court reduces the taxpayer's assessment, the town must reimburse the taxpayer or grant a tax credit for the overpayment, plus interest and costs. The bill excludes from this reimbursement or tax credit fees assessed by the (1) tax collector for preparing the tax lien certificate and (2) town clerk for recording the liens on the land records.

#### **§§ 6 & 8 — Approval for Certain Tax Abatements or Waivers**

The bill requires a municipality to obtain approval from its standing abatement committee or, if it does not have such a committee, the Office of Policy and Management secretary, before abating or waiving taxes or interest assessed on (1) people who are poor and cannot pay; (2) railroad companies in bankruptcy reorganization; and (3) private, nonprofit water suppliers.

#### **§ 7 — Deferral of Taxes Exceeding 8% of Homeowner's Income**

The law allows municipal legislative bodies to vote to defer property taxes for any owner-occupied residence if the tax exceeds 8% of the owner's income for a given year. Deferred taxes are a lien on the property and must be paid with interest, when the homeowner dies or the property is sold. Current law prohibits these liens from taking

precedence over any previously recorded mortgage on the property. The bill instead gives them the same precedence as other tax liens.

### **§ 9-10 — Property Tax Refunds**

Under current law, the time limit for municipalities to give property tax refunds is generally either (1) three years after the tax due date or (2) the extended deadline the municipality has established by ordinance. The bill adds a third time limit of 90 days after the (1) deletion of a tax assessment by a final court order, (2) reduction of an assessment by a board of assessment appeals, or (3) removal of property from a taxpayer's personal property declaration discovered during an audit. It is unclear whether the refunds subject to the third time limit would also be subject to the three year or extended deadline that applies under existing law.

The bill specifies that a taxpayer's refund application must be delivered or postmarked by the applicable deadline, rather than just made by the deadline.

The bill allows the tax collector to deny a refund application if the taxpayer is delinquent in other taxes or has other debt. It also specifies that any property tax refund for which no timely application is made or granted is the municipality's permanent property, including refunds of veterans' property taxes that are not claimed within the statutory timeframe.

### **§ 11 — Property Tax Bills**

By law, the failure to send out a tax bill or statement does not invalidate the tax. The bill adds that the failure to receive any such bill or statement also does not invalidate the tax.

### **§ 13 — Assigning Numbers to Tax Accounts**

The bill conforms the law to current practice by requiring the tax assessor or rate maker, rather than the town clerk or rate maker, to assign a number for each tax account.

### **§ 16 — Reporting Assessment Mistakes**

By law, tax collectors must report to town clerks all taxable property that is not assessed or is assessed to the wrong parties as soon as they know it. The bill requires them to also notify tax assessors of this information.

### **§ 17 — Tax Collector Fees**

The bill eliminates the following specific tax collector fees for tax levies and sales:

1. for real property, 20 cents;
2. for each notice posted, filed, published, or mailed as required by law, 25 cents;
3. for each mile of travel from the collector's residence to the farthest point where he or she is legally required to take a notice (and return once), 20 cents;
4. for sale of real property, \$4; and
5. for each deed or bill of sale, \$2.

The bill instead requires delinquent taxpayers, or others required under the tax sale process, to pay all reasonable and necessary costs the town incurs, instead of specific enumerated costs. The bill also makes delinquent taxpayers responsible for paying (1) recording fees and (2) fees paid to any federal, state, or local government entity or agency by the municipality.

### **§ 19 — Credit Card Fees**

Current law authorizes municipalities to (1) allow taxpayers to pay tax bills by credit card and (2) charge a service fee for doing so, which may not exceed the credit card issuer's charge. The bill specifies that the fee may not exceed either the credit card issuer's or service provider's charge.

### **§§ 20 & 43 — Order of Applying Property Tax Payments**

Under current law, tax collectors must apply (1) tax payments on

any specific property to the oldest outstanding tax and (2) partial tax payments or installments on any assessment list containing both real and personal property to the personal property tax first, unless the person making the payment directs otherwise in writing.

The bill eliminates these requirements and instead requires tax collectors to apply all tax payments first to outstanding unsecured taxes (i.e., personal property taxes) and then to outstanding secured taxes (i.e., real property taxes). The tax payments for these respective taxes apply as follows:

1. first to expenses, including attorney's fees, collection expenses, recording fees, collector's fees, and other expenses and charges related to a taxpayer's delinquency;
2. next to accrued interest; and
3. lastly, to principal, in chronological order.

The bill also specifies that a municipality is not bound by any notation accompanying a tax payment that (1) purports to be payment in full, (2) proposes to waive any of the municipality's rights or powers, or (3) directs the application of the payment in any manner that contradicts applicable law.

### **§ 21 — *Waiving Taxes Under \$25***

By law, a municipality's legislative body may waive property taxes that total less than \$25 before they are due. The bill allows the legislative body to waive such taxes regardless of their due date.

### **§ 22 — *Posting Notice of Taxes Due***

The bill requires tax collectors to post notice of the time and place at which they will receive taxes on a signpost, bulletin board, or the municipality's website. Under current law, they must post the notice on a signpost located in the municipality, or, if there is no such signpost, (1) on a signpost located in the town within which the municipality is located or (2) at some other exterior place near the

town clerk's office.

### **§ 23 — *Delinquent Tax Payments***

The bill conforms the law to current practice by:

1. allowing tax collectors to accept a partial payment for a delinquent tax that is less than the total accrued interest on the principal;
2. eliminating provisions that specify how interest accrues on delinquent taxes for which taxpayers have made a partial payment, thus requiring all delinquent taxes to accrue interest from the first day of the month;
3. specifying that the minimum \$2 interest charge on delinquent tax payments applies to each installment of the tax;
4. allowing a municipality's legislative body to require any delinquent taxes, rather than just those for motor vehicle taxes, to be paid in cash or by certified check or money order.

### **§ 24 — *Withholding or Revoking Licenses or Permits for Delinquent Taxes***

Current law allows municipalities and district health departments to withhold or revoke a license or permit if a business owes taxes on personal property it uses that are at least one year delinquent. The bill allows them to do so for taxes due on any property the business owns or uses, not just personal property.

### **§ 29 — *Demand for Unpaid Taxes and Water and Sewer Charges***

Under existing law, if municipal taxes or water or sewer charges are not paid within 30 days after their due date, the tax collector or his or her appointed agent can make personal or written demand for the tax or charges at the taxpayer's last-known residence. If that demand fails, the collector may take steps to collect the delinquent taxes and charges by using a tax warrant or alias tax warrant or sell the person's personal or real property.

The bill allows the tax collector to take such steps to proceed with the tax warrant or tax sale without making a demand for the payment if the assessor is unable to identify the owner or persons responsible for the delinquent taxes or charges after making reasonable efforts to do so.

The bill also allows tax collectors from two municipalities to jointly conduct collection efforts for delinquent taxes.

### **§§ 30-34 — TAX SALES**

**Notice of the Tax Sale.** The law requires a tax collector selling property through a tax sale to provide a series of notices of the sale. Under current law, the notices must contain specific information, including the (1) taxpayer's name, (2) legal description of the real property, (3) address upon which the taxes are due, (4) amount of taxes due, and (5) time and place of the sale.

The bill requires the notices to additionally contain (1) the property's street address only if it has one; (2) an assessor's map or other public document identifying the property's boundaries and (3) the date of the sale. It also allows the notices to include a citation to an instrument in the land records, instead of the property's legal description.

Under current law, the tax collector must mail various notices to the owner, mortgagee, lienholder, and others with a recorded interest in the property that would be affected. The bill (1) specifies that the other interested parties must have a choate interest in the property (i.e., one that is recorded in the land records rather than merely a potential interest) and (2) allows the collector to mail the notices to a person's estate or its fiduciary if the collector knows that he or she is deceased. If the person is a corporation, limited partnership, or other legal entity, the bill allows the collector to mail the notice to any other address he or she believes will give notice of the levy or sale.

Current law also requires the collector to (1) file a notice with the town clerk, who must record it in the land records; (2) post it on a

signpost in the town where the real estate is located, if any, or at some other exterior place near the town clerk's office; and (3) publish it at least once a week for three consecutive weeks in a newspaper published in the town, or, if one is not available, in a newspaper published in the state having general circulation in the town. The bill (1) specifies that the recording serves as constructive notice equivalent to a *lis pendens* for all purposes; (2) requires the collector to post the notice on a bulletin board in or near his or her office, rather than on a signpost; and (3) allows the collector to publish the notice in either type of newspaper.

**Apportioning Tax Sale Costs.** By law, the tax collector (1) may sell the property at public auction and retain auctioneers, clerks, and others to assist in the sale and (2) must add the cost of conducting the sale to the taxes due from the delinquent taxpayer. Under current law, if the sale involves more than one property, the costs must be apportioned equally among the properties. The bill specifies that only shared costs are apportioned.

**Redemption Procedures.** Within six months of the tax sale, the law allows the delinquent taxpayer, mortgagee, lienholder, or other entity holding a recorded interest in the property to redeem it. Under current law, the person or entity must pay the taxes, interest, and charges that were due at the time of the sale, plus 18% annual interest on the total purchase price paid by the purchaser. The bill requires them to also pay any taxes, debts, and fees owed to the municipalities that were not recovered by the sale.

By law, the collector must give the paying party a certificate of satisfaction, and the paying party must record it on the land records in order to pursue any claim against the delinquent taxpayer. Under the bill, the party's claim has the same precedence or priority over other encumbrances but not over any tax that was not yet due and payable when the collector first published notice of the levy. As under existing law, the party's claim does not affect the interests of other parties.

**Disposition of Tax Sale Receipts.** By law, if the sale produces



more than the back taxes, penalties, interest, fees, and costs due on the property, the remainder must be placed in an escrow account. If the property is redeemed, the excess is paid to the tax sale purchaser within 10 days. If the property is not redeemed, under current law, the town may use the excess to pay the delinquent taxes, interest, penalties, fees, and other costs due from the former owner for other property he or she owns in town. The bill allows the excess sale proceeds to also be used to pay (1) costs on the property sold and (2) taxes on property located in other towns.

Under existing law, within specified timeframes after the tax sale, the tax collector must (1) pay the escrow account funds to the clerk of the court for the judicial district in which the property is located and (2) notify all interested parties of their right to apply to the court for the money. These parties may then apply for the money's return. The bill prohibits the municipality from being added as a party to such action to recover the money without its consent.

***Enjoining Tax Sale Proceedings.*** The bill allows a person to seek to enjoin a tax sale under the same process that applies under current law to a person contesting the validity of a sale.

***Tax Collector's Deed.*** The bill (1) eliminates the requirement that a collector's deed identify the mill rate for the taxes recovered by a tax sale and (2) shortens the statute of limitations on challenges to the validity of a tax collector's deed on grounds other than fraud. Under current law, the limit is one year from the date the deed was recorded or two years from the date of the tax sale, whichever is longer. The bill makes the limit one year from either action, whichever is longer.

## **§ 35 — UNCOLLECTABLE TAXES**

The law requires tax collectors to prepare a municipal suspense book that details unpaid property tax balances that they believe to be uncollectible, thus allowing the municipality to remove the delinquent properties from the tax roll and avoid treating them as assets. The bill eliminates the requirement that the book include, for each rate bill, (1)

unpaid property tax balances remaining after a lien sale and (2) the name of the tax collector who transferred the tax to the book.

### **§ 39 — TAXES DUE ON WEEKENDS AND HOLIDAYS**

By law, when a tax payment deadline falls on a Saturday, Sunday, or legal holiday, taxpayers have until the following business day to make a payment without interest or penalty. The bill specifies that this extension also applies to any installment of the tax.

### **§ 40 — ASSIGNMENT OF TAX LIENS**

The law permits municipalities to assign their tax liens to third parties. The bill allows the assignee to recover the municipality's expenses for preparing and recording the assignment. The law already allows the assignee to recover the collection fees and expenses. By law, the assignee has the same rights to enforce the lien as any private party holding a lien on real property. The bill specifies that this includes the right to foreclose and sue on the debt.

### **§ 41 — PRIVACY OF INDIVIDUAL BILLING RECORDS HELD BY MUNICIPAL UTILITY COMPANIES**

The law prohibits use of the Freedom of Information Act to force a municipal utility to disclose records that identify or could lead to identification of individual customers' utility usage or billing records. The bill specifies that this prohibition does not bar municipalities from disclosing information on account delinquencies and enforcement actions.

### **§ 42 — NOTICE OF COMMUNITY-BASED RESOURCES**

PA 12-1, June 12 Special Session, required municipalities to include the Judicial Branch's form on community-based resources for people involved in foreclosure mediation with any statement sent to a homeowner about a public sewer, water service, or property tax arrearage. The bill instead requires them to include the form with any complaint to judicially foreclose such arrearages.

## **BACKGROUND**

### ***Related Bill***

sSB 820, favorably reported by the Planning and Development Committee, gives towns the option of reducing, from 18% to 12%, the annual interest rate they charge on delinquent property taxes.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute Change of Reference

Yea 19 Nay 0 (04/01/2013)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 48 Nay 0 (04/19/2013)